

Transportation •



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Dr. DONG Li (*Chairman*)
Ms. HONG Yu (appointed with effect from 6 April 2023)
Ms. YIN Haiyan

Mr. CAO Yixiong Alan
Mr. LAU Chi Kit
Mr. LU Zhiqiang

Mr. CAO Yixiong Alan (*Chairman*)
Mr. LAU Chi Kit
Mr. LU Zhiqiang

Mr. LAU Chi Kit (*Chairman*)
Dr. DONG Li
Mr. CAO Yixiong Alan

Dr. DONG Li (*Chairman*)
Mr. LAU Chi Kit
Mr. LU Zhiqiang

Mr. CHOW, Kam Keung Albert

Dr. DONG Li
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The Hongkong and Shanghai Banking Corporation Limited
Bank of China
Shanghai Pudong Development Bank
China CITIC Bank International Bank Limited
Hang Seng Bank Limited
China Construction Bank Corporation
Industrial and Commercial Bank of China
Agricultural Bank of China
China Minsheng Bank

Leoch International Technology Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce the following financial highlights:

Six months ended 30 June

		2023	2022	Change
		RMB'000	二零二二年 RMB'000 人民幣千元	
Turnover	營業額	6,003,416	6,168,315	-2.7%
Cost of sales	銷售成本	5,185,436	5,482,909	-5.4%
Gross profit	毛利	817,980	685,406	+19.3%
Gross Margin	毛利率	13.6%	11.1%	
Profit for the Period	期內溢利	232,626	96,480	+141.1%
Profit attributable to owners of the parent	母公司擁有人應佔溢利	209,115	80,020	+161.3%
Basic earnings per share (RMB)	每股基本盈利 (人民幣元)	0.15	0.06	
Proposed interim dividend per share (HK cents)	建議每股中期股息 (港仙)	4	Nil 無	

For the six months ended 30 June 2023 (the “**Period**”), the Group’s unaudited profit attributable to owners of the parent amounted to approximately RMB209.1 million.

209.1

Basic earnings per share was RMB0.15.

0.15

The Board recommends the payment of an interim dividend of HK4 cents per share for the Period.

4





The Group is a global supplier of power solutions for telecommunications and data center industries. It provides highly reliable and innovative backup power solutions to the world's leading telecommunications operators, infrastructure service providers and equipment manufacturers, as well as major international data center solution providers.

The Group provides customers worldwide with a broad range of power solutions in various applications, including automobile, motorcycles and electric vehicles, renewable energy storage systems, and other consumer and industrial products. Also, the Group is engaged in recycled lead business in the People's Republic of China (the "PRC").

The Group serves battery customers in more than 100 countries through its over 80 sales offices and centers around the world, together with its 13 manufacturing facilities in the PRC, Vietnam, Malaysia, India and Sri Lanka.

80

13

100

The Group has two primary businesses: Power Solutions and Recycled Lead. The Power Solutions business is classified into three major categories based on applications, defined as follows:

- Reserve power batteries: including Telecom and UPS batteries which are widely used in communication networks and data centers at all levels to provide a key guarantee for the normal operation of communication networks and other reserve power batteries.
- SLI batteries: used for the starting, lightening and ignition (SLI) of automobiles, motorcycles and ships.
- Motive power batteries: mainly used in electric bicycles, electric tricycles, low-speed electric cars, golf carts and sightseeing carts.

UPS



For the Period, the Group's overall revenue amounted to RMB6,003.4 million, representing a decrease of 2.7% from RMB6,168.3 million for the corresponding period in 2022.

2.7%
6,003.4
6,168.3

The Group achieved slight improvement in its Power Solutions business during the Period and revenue from Power Solutions business amounted to RMB5,006.9 million, representing an increase of 1.9% from RMB4,911.2 million for the corresponding period in 2022 while revenue from Recycled Lead business amounted to RMB996.5 million, representing a decrease of 20.7% from RMB1,257.1 million for the corresponding period in 2022.

1.9%
20.7%
5,006.9
4,911.2
996.5
1,257.1

In the first half year of 2023, China economy showed a good momentum of recovery with estimated gross domestic product (GDP) up by 5.5 percent year on year. As expected, the Group's PRC battery business in average enjoyed more than 27% growth rate in terms of turnover. The 2023 real GDP growth projected by OECD for the world in June was 2.7% with around 5.4% projected for China, 0.9% for Europe, 0.3% for the United Kingdom and 1.6% for the United States. The Asian Development Bank (ADB) recently revised its 2023 forecast to 4.7 percent for ASEAN as global demand weakens. In the 2022 annual report, the Group expected China and ASEAN countries would be in a relatively strong position but opportunities and challenges are intertwined in 2023 especially in western developed countries. Accordingly, sluggish economic activities in Americas and Europe with unexpected delay of network power project in ASEAN resulting in a negative growth rate of around 17% sales in the overseas markets.

5.5%
27%
2.7%
5.4% 0.9% 0.3%
1.6%
4.7%
17%





Reserve Power Battery

As the major revenue contributor to the Group, the reserve power battery business accounted for 47.5% of total sales during the Period. Sales revenue during the Period amounted to RMB2,853.2 million (six months ended 30 June 2022: RMB2,945.4 million), representing a decrease of 3.1% compared to the corresponding period last year. The decrement in the amount of turnover was mainly due to delay in big customers' network projects in the ASEAN region, dragging down the satisfying result in China. The Group expect overseas shipment will catch up in the second half and the growth rate in China will continue as well.

	47.5%
2,853.2	
2,945.4	
3.1%	

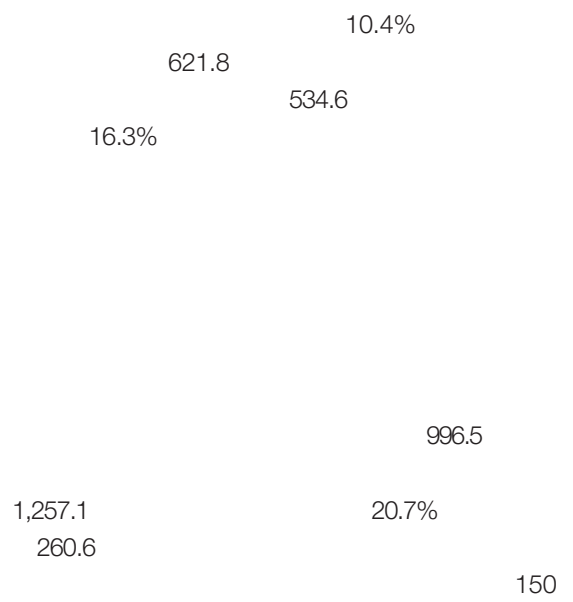
SLI Battery

SLI battery business is the second largest revenue contributor to the Group. It contributed 24.5% of total sales in the Period. Sales revenue during the Period amounted to RMB1,469.1 million (six months ended 30 June 2022: RMB1,406.9 million), representing an increase of 4.4% compared to the corresponding period last year. The recovery of China with strong holiday tourism data and travel-hungry Chinese speed up the peak season of the after-market battery demand. With our well-established distribution channel in the PRC, the Group enjoyed more than 25% growth in terms of turnover from the SLI battery market in China covering the sluggish demand in overseas market especially Americas, resulting in a small 4.4% growth during the Period.

	24.5%
1,469.1	
1,406.9	
4.4%	
	25%
4.4%	



... e l e m e n t s ...





In recent years, the global digital economy has developed vigorously with a wide range of application scenarios, covering artificial intelligence, Internet of Things, cloud commerce, big data and other fields, boosting the demand for data centers. According to the research by Spherical Insights & Consulting, the market size of data centers will rise from US\$5 billion in 2023 at a compound annual growth rate of 12% to more than US\$120 billion in 2030. At the same time, there are currently more than 8,000 data centers in the world, of which only 5.5% are located in China. The “14th Five-Year” Information and Telecommunication Industry Development Plan of the Ministry of Industry and Information Technology of the PRC clearly aims to accelerate the construction of digital infrastructure and a network power, greatly driving the development of data centers in China and driving up the demand for energy storage batteries. In addition, Danfoss expects that as the market demand for the Internet and intelligent technologies significantly increases, everyone in developed countries will “interact” with data centers at least once every 18 seconds. Therefore, power load demand generated by the rapid development of artificial intelligence, Internet of Things, cloud commerce, big data and other fields will increase exponentially, ushering in a greater development space. In addition, as the backup battery strategic partner of the world’s major communication companies, the Group has continued to win biddings for energy storage battery cooperation projects, which has been recognized by leading communication companies for many years. In the future, we will seize the development opportunities of the telecommunication energy storage industry, strengthen cooperation with telecommunication companies, increase investment and development in R & D and manufacturing capabilities, and utilise our own industry experience to deploy new segments opportunities such as solar energy and wind energy. At the same time, we will continue to expand in the replacement market naturally.

			Spherical Insights &
Consulting	50	12%	
		1,200	
	8,000		5.5%

Danfoss



In the context of increasing environmental awareness and continuous iterative upgrading of technology, new energy vehicles are the general trend. As a leading supplier of start-stop batteries for new energy vehicles and traditional vehicles, the Group has established long-term partnerships with major automakers, and has been widely recognized for its high-quality battery products and services. In the first half of 2023, according to the statistics of the China Association of Automobile Manufacturers, the national sales of automobiles increased by 8.84% year-on-year to more than 13.1 million, and the sales of new energy vehicles increased by nearly 140% year-on-year to about 1.55 million. Driven by the dual benefits of the country's vigorous promotion of green and low-carbon travel and dual-carbon goals in recent years, it is expected that the sales of new energy vehicles will continue to rise, and start-stop batteries, as one of the core parts of automobiles, will continue to benefit from this wave. According to industry research estimates by Future Market Insights, the global start-stop battery market size is expected to grow significantly from US\$70.6 billion in 2022 to US\$273.4 billion in 2032 at a compound annual growth rate of 14.5%. Considering that the start-stop battery is one of the indispensable components of new energy vehicles and fuel vehicles, and lead-acid batteries are still superior to lithium batteries in terms of safety and performance, new energy vehicle companies still use lead-acid batteries as the start-stop batteries of their vehicles. The Group has confidence in the future market demand and will continue to take advantage of the development of automotive batteries, strive to give full play to its cutting-edge technology advantages, provide high-quality products to partners, and continue to leverage on automotive supply chains, and simultaneously expand the network of after-sales market and expand market volume. We believe that under the hot market demand and the dual-wheel drive of upstream and downstream vehicles for the superimposed front-loading and rear-loading replacement, the Group's start-stop battery sales are expected to further increase, which will play an important role in boosting the overall business development.

8.84%	1,310
140%	155
Future Market Insights	14.5
	706
2,734	





In terms of household energy storage, under the global trend of promoting energy conservation and carbon reduction, household energy storage products are expected to achieve rapid development. According to a research performed by Mordor Intelligence, the market size of household energy storage products is expected to increase from approximately US\$4.38 billion in 2023, with a compound annual growth rate of 24.4% to US\$16.75 billion in 2028. At present, the Group is actively planning to expand the end point market, and launch lighter products in response to the needs of consumers and individual industrial and commercial institutions for energy storage systems, covering household and industrial energy storage systems, helping households to realize energy conversion and storage, improving the operational efficiency of new energy systems, and ensuring stable household power supply. The Group plans to gradually carry out the manufacture and sales of products to create another growth point for the Group's business and promote the diversification of its product portfolio.

Intelligence	43.8	Mordor
		24.4%
		167.5

In addition to consolidating the advantages of cutting-edge scientific research and strengthening research & development of product and manufacturing, the Group actively streamline its global production layout, enriches its production capacity of the existing factories, and enriches its product portfolio to meet the rising market demand for energy storage and start-stop batteries. With the increasing application of lithium batteries in energy storage systems, the Group's flagship factory in Anhui will focus on the production and research and development of lithium batteries, and plans to gradually increase the annual production capacity, so that customers could have more choices when sn-U9.5 56.6929 251.9549 Tm

its global pr)223solidating the advant, weMC /ages oET



In addition, the Group entered into an agreement with Japan's GS Yuasa Interational Limited ("**GS Yuasa**") in July this year, to acquire a 70% stake in each of Tianjin GS Battery CO., LTD ("**Tianjin GS**") and Yuasa Battery (SHUNDE) CO., LTD ("**Shunde Yuasa**") (together, the "**Acquisition Targets**") for approximately HK\$230 million. GS Yuasa is one of the world's largest manufacturers of automotive lead-acid batteries. Therefore, the Group believes that the acquisition of Tianjin GS and Shunde Yuasa will further deepen the friendly cooperation between the Group and GS Yuasa, and facilitate the expand of the business scale of the Group. The Group and the Acquisition Targets will complement each other's resources and leverage on their respective strengths. GS Yuasa has advantage with its strong brand, advanced production and R&D technologies, and rigorous quality control. The Group, on the other hand, has strong cost control capabilities and has gained in-depth insights into the Chinese market over the years. The mutually beneficial and win-win cooperation between the two parties will help expand the Group's distribution network in China and thus increase its market share.

2.3

70%

Looking ahead, the sustained recovery of the global economy provides strong support for the overall business environment and the development of various industries. We hold an optimistic attitude towards the future development of the Group. As a leading global one-stop power solutions provider, the Group will strive to enhance and improve its products and services, serving customers in telecommunications, automotive and other industries with high-quality power products to meet the significant market demand. We will continue to explore potential opportunities and actively expand revenue channels, with an aim to achieve a diversified and steady growth for the Group, and create long-term value and fruitful returns for shareholders and stakeholders.





During the Period, the Group's revenue amounted to RMB6,003.4 million, representing a decrease of 2.7% compared to the corresponding period in 2022. The profit for the Period amounted to RMB232.6 million, representing an increase of 141.1% compared to the corresponding period in 2022, of which the profit attributable to owners of the parent amounted to RMB209.1 million, representing an increase of 161.3% compared to the corresponding period in 2022. Basic and diluted earnings per share for the Period was RMB0.15.

6,003.4	
2.7%	232.6
	141.1%
209.1	
161.3%	
0.15	

The Group's revenue slightly decreased by 2.7% from RMB6,168.3 million for the six months ended 30 June 2022 to RMB6,003.4 million for the Period, of which the Group's revenue from the Power Solutions business slightly increased by 1.9% from RMB4,911.2 million for the six months ended 30 June 2022 to RMB5,006.9 million for the Period, while the Group's revenue from the Recycled Lead business decreased by 20.7% from RMB1,257.1 million for the six months ended 30 June 2022 to RMB996.5 million for the Period.

6,168.3	2.7%
6,003.4	
4,911.2	1.9%
5,006.9	
1,257.1	20.7%
996.5	



Details of the Group's revenue for the six months ended 30 June 2023 and 2022 by product are set out below:

EMEA

EMEA





... e^m e. t. ...



If transportation cost was to be recorded as a selling and distribution expense for the Period like they were for the six months ended 30 June 2022, the Group's selling and distribution expenses would be increased by 9.5% from RMB301.7 million for the six months ended 30 June 2022 to RMB330.3 million for the Period and the gross profit of the Group would be increased from RMB685.4 million for the six months ended 30 June 2022 to RMB933.9 million for the Period, representing an increase of 36.3%. The gross margin would then be increased from 11.1% for the six months ended 30 June 2022 to 15.6% for the Period.

	301.7	9.5%
	330.3	
		685.4
		933.9
36.3%		
	11.1%	15.6%

Other income and gains increased by 9.8% from RMB114.5 million for the six months ended 30 June 2022 to RMB125.8 million for the Period, mainly due to the increase in exchange gains for the Period.

	114.5	9.8%
	125.8	

The Group's selling and distribution expenses decreased by 29.0% from RMB301.7 million for the six months ended 30 June 2022 to RMB214.3 million for the Period. This was mainly due to the inclusion of transportation cost of the products in the cost of sales instead of in the selling and distribution expenses during the Period for better benchmarking with other companies in the industry.

	301.7	29.0%
	214.3	

The Group's administrative expenses increased by 28.2% from RMB152.1 million for the six months ended 30 June 2022 to RMB195.0 million for the Period, mainly due to the increase in staff costs.

	152.1	28.2%
	195.0	

The research and development expenditure of the Group increased by 31.5% from RMB122.2 million for the six months ended 30 June 2022 to RMB160.7 million for the Period. The increase was mainly used for performance enhancement of selected products and development of new products in all categories during the Period.

	122.2	31.5%
	160.7	





The Group's finance costs increased by 32.3% from RMB74.1 million for the six months ended 30 June 2022 to RMB98.1 million for the Period as a result of higher average interest rate during the Period.

74.1	32.3%
98.1	

As a result of the foregoing factors, the Group recorded profit before tax of RMB265.7 million for the Period (six months ended 30 June 2022: RMB144.5 million).

265.7	144.5
-------	-------

Income tax expenses decreased by 31.3% from RMB48.1 million for the six months ended 30 June 2022 to RMB33.0 million for the Period, mainly due to the decrease in taxable profit of the Group during the Period.

48.1	31.3%
33.0	

As a result of the foregoing factors, the Group recorded profit for the Period of RMB232.6 million (six months ended 30 June 2022: RMB96.5 million), of which the Group recorded profit attributable to owners of the parent of RMB209.1 million (six months ended 30 June 2022: RMB80.0 million).

96.5	232.6
209.1	80.0

As at 30 June 2023, the Group's net current assets amounted to RMB986.3 million (31 December 2022: RMB580.9 million), among which cash and bank deposit amounted to RMB1,139.9 million (31 December 2022: RMB1,230.0 million).

986.3
580.9
1,139.9
1,230.0

As at 30 June 2023, the Group had bank borrowings of RMB2,916.8 million (31 December 2022: RMB2,710.1 million), all of which are interest-bearing. Except for borrowings of RMB207.9 million which have a maturity of over one year, all of the Group's bank borrowings are repayable within one year. The Group's borrowings are denominated in RMB, US dollars, HK dollars and other currencies, and the effective interest rates of which as of 30 June 2023 were in the range of 1.88% to 8.10% (31 December 2022: 1.88% to 8.17%).

2,916.8
2,710.1
207.9

1.88% 8.10%
1.88% 8.17%

Most of the Group's bank borrowings are secured by pledges of certain assets of the Group including property, plant and equipment, leasehold lands, time deposits, inventories and trade receivables.

As at 30 June 2023, the Group's gearing ratio was 25.9% (31 December 2022: 25.8%), which was calculated by dividing total borrowings by total assets as at the end of each respective period, multiplied by 100%.

25.9%
25.8%
100%

The Group primarily operates in the PRC and its principal activities are transacted in RMB. For companies outside of the PRC, their principal activities are transacted in US dollars. However, as a result of the Group's revenue being denominated in RMB, the conversion of the revenue into foreign currencies in connection with expense payments is subject to PRC regulatory restrictions on currency conversion. The value of the RMB against the US dollar and other currencies may fluctuate and is affected by, among other things, changes in PRC's political and economic conditions. The Group adopted price linkage mechanism for product sales by which the risk of currency fluctuation is basically transferred to the customers. However, the Group's foreign currency trade receivables may still be exposed to risk in the credit period.

The Group did not have any significant contingent liabilities as at 30 June 2023 (31 December 2022: Nil).





Please refer to Note 16 to this report for details.

16

Please refer to Note 19 to this report for details.

19

As at 30 June 2023, the Group had no significant investment with a value of 5% or more of the Group's total assets.

5%

There was no material acquisition or disposal of subsidiary, associate or joint venture by the Group during the Period.

As at 30 June 2023, the Group had 13,019 employees. Employee benefit expenses (including directors' remuneration), which comprise wages and salaries, bonuses, equity-settled share option expenses and pension scheme contributions, totaled RMB533.1 million for the Period (six months ended 30 June 2022: RMB488.0 million).

13,019

533.1

488.0

The Group has share option schemes in place for selected participants as incentive and reward for their contribution to the Group. A mandatory provident fund scheme and local retirement benefit schemes are also in effect. The Group encourages employees to seek training to strengthen their work skills and for personal development. The Group also provides workshops for staff at different levels to enhance their knowledge of work safety and to build team spirit. Staff are rewarded based on the overall performance of the Group as well as on individual performance and contribution.

The Board recommends the payment of an interim dividend of HK4 cents per share for the Period (six months ended 30 June 2022: Nil).

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The interim dividend shall be payable to the shareholders of the Company (the “**Shareholders**”) whose names appear on the register of members of the Company as at the close of business on Friday, 8 September 2023. The interim dividend will be paid to the Shareholders on or about Friday, 22 September 2023.

The register of members of the Company will be closed from Wednesday, 6 September 2023 to Friday, 8 September 2023 (both days inclusive), for the purpose of determining Shareholders’ entitlement to receive the interim dividend, during which period no transfer of Shares will be registered. In order to qualify for receiving the interim dividend, Shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company’s branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration by no later than 4:30 p.m. on Tuesday, 5 September 2023.

16

17





As at 30 June 2023, the interests and short positions of the directors and chief executives of the Company in the Shares, underlying shares or debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) which (a) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required under Section 352 of the SFO, to be entered in the register required to be kept by the Company referred to in that section; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchanges (the “Listing Rules”) were as follows:

(a) XV
7 8 XV
(b)
352
(c)

Name of Director	Nature of Interest	Number of Shares held*	Number of underlying shares subject to options granted under the 2010 Share Option Scheme	Number of underlying shares subject to options granted under the New Share Option Scheme	Total	Approximate percentage of shareholding ^(b)
Dr. DONG Li 董李博士	Interest of controlled corporation 受控法團的權益	1,014,021,000 ⁽¹⁾ (L)	-	-	1,014,021,000	74.47%
Ms. YIN Haiyan 印海燕女士	Beneficial Owner 實益擁有人	150,000 (L)	1,500,000 ⁽²⁾ (L)	2,000,000 ⁽²⁾ (L)	3,650,000	0.27%
Ms. HONG Yu 洪渝女士	Beneficial Owner 實益擁有人	844,000 (L)	-	1,800,000 ⁽³⁾ (L)	2,644,000	0.19%
Mr. CAO Yixiong Alan 曹亦雄先生	Beneficial Owner 實益擁有人	-	800,000 ⁽⁴⁾ (L)	300,000 ⁽⁴⁾ (L)	1,100,000	0.08%
Mr. LAU Chi Kit 劉智傑先生	Beneficial Owner 實益擁有人	-	800,000 ⁽⁵⁾ (L)	300,000 ⁽⁵⁾ (L)	1,100,000	0.08%
Mr. LU Zhiqiang 盧志強先生	Beneficial Owner 實益擁有人	-	-	300,000 ⁽⁶⁾ (L)	300,000	0.02%

* The letter “L” denotes long position of the Director in the shares of the Company. * L

Notes:

(1) Dr. DONG Li beneficially owns the entire issued share capital of Master Alliance Investment Limited. By virtue of the SFO, Dr. DONG Li is deemed to be interested in 1,014,021,000 Shares held by Master Alliance Investment Limited.	(1)	Master Alliance Investment Limited 1,014,021,000
(2) Ms. YIN Haiyan has been granted options for 1,500,000 Shares and 2,000,000 Shares under the 2010 Share Option Scheme and the New Share Option Scheme respectively. Please see the section headed "Share Option" below for further details of the Share Option Schemes.	(2)	1,500,000 2,000,000
(3) Ms. HONG Yu has been granted options for 1,800,000 Shares under the New Share Option Scheme. Please see the section headed "Share Option" below for further details of the Share Option Schemes.	(3)	1,800,000
(4) Mr. CAO Yixiong Alan has been granted options for 800,000 Shares and 300,000 Shares under the 2010 Share Option Scheme and the New Share Option Scheme respectively. Please see the section headed "Share Option" below for further details of the Share Option Schemes.	(4)	800,000 300,000
(5) Mr. LAU Chi Kit has been granted options for 800,000 Shares and 300,000 Shares under the 2010 Share Option Scheme and the New Share Option Scheme respectively. Please see the section headed "Share Option" below for further details of the Share Option Schemes.	(5)	800,000 300,000
(6) Mr. LU Zhiqiang has been granted options for 300,000 Shares under the New Share Option Scheme. Please see the section headed "Share Option" below for further details of the Share Option Schemes.	(6)	300,000
(7) This is based on 1,361,707,666 Shares in issue as at 30 June 2023.	(7)	1,361,707,666

Except for the persons disclosed above, as at 30 June 2023, none of the directors or chief executives of the Company had any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

XV

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As at 30 June 2023, the following person (other than the directors and chief executives of the Company) had, or was deemed to have, interests and short positions of 5% or more in the Shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or recorded in the register required to be kept under Section 336 of the SFO:

XV 2 3
336 5%

Name of Shareholder	Nature of Interest	Number of shares/ underlying shares held*	Approximate percentage of shareholding ⁽²⁾
Master Alliance Investment Limited	Beneficial Owner	1,014,021,000 ⁽¹⁾ (L)	74.47
Asian Equity Special Opportunities Portfolio Master Fund Limited	Beneficial Owner	67,961,340 (L)	5.00
RAYS Capital Partners Limited 睿思資本有限公司	Investment Manager	81,751,288 (L)	6.00
RUAN David Ching Chi	Interest of controlled corporation	81,751,288 (L)	6.00

* The Letter "L" denotes long position of the shareholder in the shares of the Company.

* L

Notes:

(1) Master Alliance Investment Limited, a company wholly owned by Dr. DONG Li, beneficially owned 1,014,021,000 Shares.

(1) Master Alliance Investment Limited
1,014,021,000

(2) This is based on 1,361,707,666 Shares in issue as at 30 June 2023.

(2) 1,361,707,666

Except for the person disclosed above, as at 30 June 2023, no person, other than the directors and chief executives of the Company whose interests and short positions are set out in the section headed “Directors’ Interests and Short Positions in Securities of the Company and its associated corporation” above, had an interest or a short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

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XV

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- (i). Pursuant to the resolutions in writing passed by all shareholders of the Company on 14 October 2010 (as amended at the Annual General Meeting of the Company held on 18 May 2018), the Company approved and adopted a share option scheme (the “**2010 Share Option Scheme**”) for the purpose of providing incentive or reward to selected participants for their contribution to, and continuing efforts to promote the interests of, the Company and for such other purposes as the Board may approve from time to time.

The mandate limit of the 2010 Share Option Scheme was approved and refreshed at the annual general meeting of the Company on 18 May 2018. The Company was thus entitled to issue a maximum of 135,732,166 shares upon exercise of the share options to be granted under the refreshed scheme mandate limit, representing 10% of the issued shares as at the date of that meeting.

135,732,166
10%





ter... d^m t...

23,675,000

1.74%



The total number of Shares available for issue under each of the 2010 Share Option Scheme and the New Share Option Scheme (including options granted but not yet exercised and options available for issue) is 23,475,000 Shares and 129,970,466 Shares respectively, representing approximately 1.72% and 9.54% respectively of the total number of issued Shares as at the date of this report.

23,475,000
129,970,466
1.72% 9.54%

Details of the 2010 Share Option Scheme and the New Share Option Scheme are disclosed in note 18 to the interim condensed consolidated financial statements.

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Pursuant to the term of a loan facility agreement (the "**Facility Agreement**") dated 24 April 2023 and entered into, among other parties, the Company and several of its subsidiaries as borrower or guarantors, China Citic Bank International Limited, Hang Seng Bank Limited and The Hongkong and Shanghai Banking Corporation Limited as mandated lead arrangers and bookrunners, and various financial institutions as lenders, term loan facilities of HK\$231,075,000 and US\$70,375,000 (the "**Loans**") were made available to the Group for financing the working capital of the Group.

231,075,000 70,375,000

The Loans are repayable in five instalments as to 15%, 17.5%, 20%, 22.5% and 25% on the dates falling 12, 18, 24, 30 and 36 months respectively after the utilisation date of the Loans.

18 24 30 36 12
15% 17.5% 20% 22.5% 25%

If, among other matters:

(i) 51%
51%
(ii)
(iii)





The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 to the Listing Rules as its own code of conduct for dealings in securities of the Company by directors. All directors of the Company have confirmed, following specific enquiry by the Company that they have complied with the required standard set out in the Model Code during the Period.

The Company is committed to maintaining a high standard of corporate governance with a view to safeguarding the interests of shareholders and enhancing corporate value. The Board is of the view that the Company has met the code provisions set out in the Corporate Governance Code contained in Part 2 of Appendix 14 to the Listing Rules during the Period.

The Audit Committee, which comprises the three independent non-executive Directors, namely, Mr. CAO Yixiong Alan (chairman of the Audit Committee), Mr. LAU Chi Kit and Mr. LU Zhiqiang, has reviewed the unaudited financial statements of the Company for the Period and discussed with the management and the auditor of the Company on the accounting principles and practices adopted by the Group and internal control, risk management and financial reporting matters.

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the Period.



The Company issued unlisted convertible bonds (the “**Convertible Bonds**”) to three subscribers (namely, Asian Equity Special Opportunities Portfolio Master Fund Limited, Leung Shek Kong and Great Access Incorporation Limited, all being third parties independent of the Company and its connected persons in accordance with the Listing Rules) in the aggregate principal amount of HK\$91,800,000 on 9 January 2023. Assuming full conversion of the Convertible Bonds at the initial conversion price of HK\$1.53 per Share (subject to adjustments), a maximum number of 60,000,000 new Shares (the “**Conversion Shares**”) will be allotted and issued, with an aggregate nominal value of HK\$6,000,000. The net proceeds (after deducting all the relevant costs and expenses) from the issue of the Convertible Bonds of approximately HK\$91.5 million were proposed to be applied for the acquisition of machinery and equipment for the power solutions business of the Group. The closing price of the Shares as quoted on the Stock Exchange on the date of the subscription agreements was HK\$1.17 per Share. The net price per Share to be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds, which is calculated by dividing the aggregate net proceeds by the total number of the Conversion Shares based on the initial conversation price of HK\$1.53, is approximately HK\$1.53 per Conversion Share. The Directors consider that the raising of funds by the issue of Convertible Bonds is justifiable taking into account the recent market conditions which represent an opportunity for the Group to strengthen its capital base and financial position. Details of the issue of the Convertible Bonds were disclosed in the announcement of the Company dated 23 December 2022. As at the date of this report, 100% of the aggregate net proceeds have been utilised for the intended use.

Save as disclosed, there was no equity fund raising by the Company during the Period, nor were there any proceeds brought forward from any issue of equity securities made in previous financial years.

Asian Equity Special Opportunities Portfolio Master Fund Limited

91,800,000

1.53

60,000,000

6,000,000

91.5

1.17

1.53

1.53

100%





ter...d^mt...

With effect from 10 August 2023, Ms. YIN Haiyan (“**Ms. YIN**”), who was and is an executive Director, has been re-designated as the director of PRC Marketing System Department of the Company; and Mr. CHANG Jianwei has been appointed as the chief executive officer of the Company in place of Ms. YIN. Details of such change of chief executive officer of the Company was disclosed in the announcement of the Company dated 10 August 2023.





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Independent review report
To the shareholders of
Leoch International Technology Limited
(Incorporated in the Cayman Islands with limited liability)

We have reviewed the interim financial information set out on pages 32 to 92 which comprises the condensed consolidated statement of financial position of Leoch International Technology Limited (the “**Company**”) and its subsidiaries (the “**Group**”) as at 30 June 2023 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* (“**IAS 34**”) issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

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Certified Public Accountants
Hong Kong
22 August 2023

For the six months ended 30 June 2023

	Notes	Six months ended 30 June	
		2023	2022
		(Unaudited) RMB'000	(Unaudited) RMB'000
REVENUE	4	6,003,416	6,168,315
Cost of sales		(5,185,436)	(5,482,909)
Gross profit		817,980	685,406
Other income and gains	4	125,780	114,534
Selling and distribution expenses		(214,336)	(301,673)
Administrative expenses		(195,019)	(152,066)
Research and development costs		(160,691)	(122,172)
Impairment losses on financial assets		(6,213)	(2,065)
Other expenses	6	(3,783)	(3,304)
Finance costs	7	(98,058)	(74,120)
PROFIT BEFORE TAX	5	265,660	144,540
Income tax expense	8	(33,034)	(48,060)
PROFIT FOR THE PERIOD		232,626	96,480
Attributable to:			
Owners of the parent		209,115	80,020
Non-controlling interests		23,511	16,460
		232,626	96,480
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	10		
Basic		RMB 0.15	RMB 0.06
Diluted		RMB 0.15	RMB 0.06





For the six months ended 30 June 2023

	Six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
PROFIT FOR THE PERIOD	232,626	96,480
OTHER COMPREHENSIVE INCOME		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Debt investments at fair value through other comprehensive income:		
Changes in fair value	(929)	(282)
Income tax effect	232	70
	(697)	(212)
Exchange differences on translation of foreign operations	81,281	11,570
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	80,584	11,358
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences arising on translation of functional currency to presentation currency	(23,438)	–
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	29,936	32,336
Income tax effect	(7,306)	(7,879)
	22,630	24,457

For the six months ended 30 June 2023

	Six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	(808)	24,457
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	79,776	35,815
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	312,402	132,295
Attributable to:		
Owners of the parent	288,830	115,835
Non-controlling interests	23,572	16,460
	312,402	132,295





30 June 2023

		30 June 2023	31 December 2022
		(Unaudited)	(Audited)
	Notes	RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	11	2,310,137	2,289,686
Investment property		1,269	334
Right-of-use assets		249,649	239,026
Goodwill		2,405	2,405
Other intangible assets		770,110	783,241
Equity investments designated at fair value through other comprehensive income		313,440	255,044
Deposits paid for purchase of items of property, plant and equipment		36,482	63,964
Deferred tax assets		73,471	71,213
Total non-current assets		3,756,963	3,704,913
CURRENT ASSETS			
Inventories	12	2,628,777	2,136,470
Trade receivables	13	2,826,350	2,736,224
Debt investments at fair value through other comprehensive income		286,058	161,405
Prepayments, other receivables and other assets		570,680	473,432
Financial assets at fair value through profit or loss		51,966	51,951
Pledged deposits	14	694,173	793,806
Cash and cash equivalents	14	445,747	436,194
Total current assets		7,503,751	6,789,482



		30 June 2023	31 December 2022
		(Unaudited)	(Audited)
	Notes	RMB'000	RMB'000
CURRENT LIABILITIES			
Trade and bills payables			
	15	2,489,171	2,361,044
Other payables and accruals			
		1,144,666	1,052,461
Lease liabilities		11,213	6,504
Financial liabilities at fair value through profit or loss		3,883	13
Interest-bearing bank borrowings	16	2,708,836	2,641,654
Income tax payable		159,707	146,923
Total current liabilities		6,517,476	6,208,599
NET CURRENT ASSETS		986,275	580,883
TOTAL ASSETS LESS CURRENT LIABILITIES		4,743,238	4,285,796
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	16	207,920	68,433
Convertible bonds		59,289	–
Deferred tax liabilities		68,971	64,180
Deferred government grants		115,202	94,281
Lease liabilities		32,098	22,667
Total non-current liabilities		483,480	249,561
Net assets		4,259,758	4,036,235





		30 June 2023	31 December 2022
		(Unaudited)	(Audited)
	Notes	RMB'000	RMB'000
EQUITY			
Equity attributable to owners of the parent			
Share capital	17	116,579	116,250
Equity component of convertible bonds		28,184	–
Reserves		3,877,466	3,706,028
		4,022,229	3,822,278
Non-controlling interests		237,529	213,957
Total equity		4,259,758	4,036,235

For the six months ended 30 June 2023

	Attributable to owners of the parent										
	Share capital	Share premium account	Merger reserve	Share option reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Statutory reserve fund	Exchange fluctuation reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2022 (audited)	116,241	1,149,365	281,301	37,932	33,029	183,520	24,615	1,560,634	3,386,637	192,428	3,579,065
Profit for the period	-	-	-	-	-	-	-	80,020	80,020	16,460	96,480
Other comprehensive income for the period:											
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	-	-	-	-	24,457	-	-	-	24,457	-	24,457
Changes in fair value of debt investments at fair value through other comprehensive income, net of tax	-	-	-	-	(212)	-	-	-	(212)	-	(212)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	11,570	-	11,570	-	11,570
Total comprehensive income for the period	-	-	-	-	24,245	-	11,570	80,020	115,835	16,460	132,295
Lapse of share options	-	-	-	(25,745)	-	-	-	25,745	-	-	-
Transfer of fair value reserve of equity investments at fair value through other comprehensive income	-	-	-	-	(227)	-	-	227	-	-	-
Equity-settled share option arrangements	-	-	-	2,089	-	-	-	-	2,089	-	2,089
At 30 June 2022 (unaudited)	116,241	1,149,365	281,301	14,276	57,047	183,520	36,185	1,666,626	3,504,561	208,888	3,713,449





	Attributable to owners of the parent											
	Share capital	Share premium account	Equity component of convertible bonds	Merger reserve	Share option reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Statutory reserve fund	Exchange fluctuation reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023 (audited)	116,250	1,149,501	-	281,301	17,049	70,658	229,229	(25,388)	1,983,678	3,822,278	213,957	4,036,235
Profit for the period	-	-	-	-	-	-	-	-	209,115	209,115	23,511	232,626
Other comprehensive income for the period:												
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	-	-	-	-	-	22,630	-	-	-	22,630	-	22,630
Changes in fair value of debt investments at fair value through other comprehensive income, net of tax	-	-	-	-	-	(697)	-	-	-	(697)	-	(697)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	57,782	-	57,782	61	57,843
Total comprehensive income for the period	-	-	-	-	-	21,933	-	57,782	209,115	288,830	23,572	312,402
Exercise of the share options	329	4,683	-	-	(1,402)	-	-	-	-	3,610	-	3,610
Final 2022 dividend declared	-	-	-	-	-	-	-	-	(125,536)	(125,536)	-	(125,536)
Issue of convertible bonds	-	-	28,184	-	-	-	-	-	-	28,184	-	28,184
Equity-settled share option arrangements	-	-	-	-	4,863	-	-	-	-	4,863	-	4,863
At 30 June 2023 (unaudited)	116,579	1,154,184*	28,184	281,301*	20,510*	92,591*	229,229*	32,394*	2,067,257*	4,022,229	237,529	4,259,758

* These reserve accounts comprise the consolidated reserves of RMB3,877,466,000 (31 December 2022: RMB3,706,028,000) in the interim condensed consolidated statement of financial position.

3,877,466,000
3,706,028,000

For the six months ended 30 June 2023

		Six months ended 30 June	
		2023	2022
		(Unaudited)	(Unaudited)
		RMB'000	RMB'000
	Notes		
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		265,660	144,540
Adjustments for:			
Finance costs	7	98,058	74,120
Interest income	4	(6,610)	(8,870)
Fair value (gain)/loss from financial assets at fair value through profit or loss, net	5	(15)	19
Fair value loss from financial liabilities at fair value through profit or loss, net	5	3,753	22,789
Loss on disposal of items of property, plant and equipment, net	5	2,101	1,291
Depreciation of property, plant and equipment	5	167,167	156,490
Depreciation of investment property	5	246	5
Depreciation of right-of-use assets	5	8,500	7,045
Amortisation of intangible assets	5	140,419	110,905
Amortisation of deferred government grants		(10,965)	(3,438)
Impairment of trade receivables	5	6,213	2,065
Impairment/(reversal) of impairment of inventories	5	11,927	(1,538)
Equity-settled share option expenses	5	4,863	2,089
		691,317	507,512





Six months ended 30 June

	2023	2022
	(Unaudited)	(Unaudited)
Notes	RMB'000	RMB'000
Increase in inventories	(504,234)	(216,590)
Increase in trade receivables	(96,339)	(35,980)
(Increase)/decrease in debt comp	(35,980)	(35,980)

	Notes	Six months ended 30 June	
		2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		6,610	8,870
Purchases of items of property, plant and equipment		(151,790)	(160,107)
Proceeds from disposal of items of property, plant and equipment		6,291	8,116
Proceeds from disposal of equity investments designated at fair value through other comprehensive income		2,314	451
Additions of equity investments		(30,000)	(20,000)
Additions of intangible assets		(126,732)	(126,855)
Decrease/(increase) in pledged deposits		99,633	(87,662)
Receipt of deferred government grants		31,886	7,164
Acquisition of a subsidiary		–	(3,320)
Net cash flows used in investing activities		(161,788)	(373,343)





		Six months ended 30 June	
		2023	2022
		(Unaudited)	(Unaudited)
Notes		RMB'000	RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of shares, net of issuance expenses		3,610	–
New bank borrowings		2,544,685	1,908,310
Repayment of bank borrowings		(2,336,533)	(1,797,958)
Interest paid		(98,058)	(74,120)
Principal portion of lease payments		(6,078)	(3,661)
Proceeds from issue of convertible bonds		87,473	–
Net cash flows from financing activities		195,099	32,571
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of period		(29,128)	35,289
Effect of foreign exchange rate changes, net		436,194	349,229
		38,681	44,123
CASH AND CASH EQUIVALENTS AT END OF PERIOD			
	14	445,747	428,641
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	14	445,747	428,641

The Company was incorporated in the Cayman Islands on 27 April 2010 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and the Company's shares have been listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 16 November 2010. The registered office of the Company is located at the office of Conyers Trust Company (Cayman) Limited, at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Group is principally engaged in power solutions business and the recycled lead business.

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Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins
Drive, PO Box 2681, Grand Cayman, KY1-1111,
Cayman Islands

In the opinion of the directors of the Company (the "**Directors**"), the immediate holding company and the ultimate holding company is Master Alliance Investment Limited, a company incorporated in the British Virgin Islands and wholly owned by Dr. Dong Li.

Master Alliance Investment Limited

The interim condensed consolidated financial information for the six months ended 30 June 2023 has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange and International Accounting Standards ("**IAS**") 34 *Interim Financial Reporting* issued by the International Accounting Standards Board (the "**IASB**").

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The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2022.





The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of the following new and revised International Financial Reporting Standards ("IFRSs") for the first time for the current period's financial information.

Amendments to IAS 1 and IFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>	1
		2
Amendments to IAS 8	<i>Definition of Accounting Estimates</i>	8
Amendments to IAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	12
Amendments to IAS 12	<i>International Tax Reform – Pillar Two Model Rules</i>	12

(...)

The nature and impact of the new and revised IFRSs that are applicable to the Group are described below:

- | | | | |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|---|
| (a) | Amendments to IAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to IFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has applied the amendments since 1 January 2023. The amendments did not have any impact on the Group's interim condensed consolidated financial information but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements. | (a) | 1 |
| | | | 2 |
| (b) | Amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The Group has applied the amendments to changes in accounting policies and changes in accounting estimates that occur on or after 1 January 2023. Since the Group's policy of determining accounting estimates aligns with the amendments, the amendments did not have any impact on the financial position or performance of the Group. | (b) | 8 |





(... t... e)

(c) Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction narrow the scope of the initial recognition exception in IAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The Group has applied the amendments on temporary differences related to leases as at 1 January 2022, with any cumulative effect recognised as an adjustment to the balance of retained profits or other component of equity as appropriate at that date. In addition, the Group has applied the amendments prospectively to transactions other than leases and decommissioning obligations that occurred on or after 1 January 2022, if any.

(c)

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Prior to the amendments, the Group did not apply the initial recognition exemption to lease transactions and had recognised the related deferred tax, except that the Group previously determined the temporary difference arising from a right-of-use asset and the related lease liability on a net basis on the basis they arise from a single transaction. Following the amendments, the Group has determined the temporary differences in relation to right-of-use assets and lease liabilities separately. The change primarily impacts disclosures of components of deferred tax assets and liabilities in the annual financial statements, but does not impact the overall deferred tax balances presented in the consolidated statement of financial position as the related deferred tax balances qualify for offsetting under IAS 12.

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(d) Amendments to IAS 12 International Tax Reform – Pillar Two Model Rules introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. Entities are required to disclose the information relating to their exposure to Pillar Two income taxes in annual periods beginning on or after 1 January 2023, but are not required to disclose such information for any interim periods ending on or before 31 December 2023. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

(d)

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The Group is engaged in power solutions business and the recycled lead business.

International Financial Reporting Standard 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (“**CODM**”) in order to allocate resources to segments and to assess their performance. The information reported to the executive directors of the Company, who is the Group’s CODM for the purpose of resource allocation and assessment of performance, does not contain profit or loss information of each product line and the CODM reviewed the gross profit of the Group as a whole reported under International Financial Reporting Standards. Therefore, the operation of the Group constitutes one reportable segment. Accordingly, no segment information is presented.

8

No segment assets and liabilities, and related other segment information were presented as no such discrete financial information is provided to the CODM.

An analysis of revenue by products is as follows:

	Six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Power solutions business	5,006,921	4,911,188
Recycled lead business	996,495	1,257,127
	6,003,416	6,168,315



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(a)

*





(continued)

(b) Non-current assets

(b)

	30 June 2023	31 December 2022
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Mainland China	2,955,807	2,957,883
Other countries/areas	414,245	420,773
	3,370,052	3,378,656

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Revenue of approximately RMB721,307,000 was derived from sales to one customer, including sales to a group of entities which are known to be under common control with that customer, exceeding 10% of the Group's total revenue for the six months ended 30 June 2022.

721,307,000

10%

No revenue from sales to any customer amounted to 10% or more of the Group's total revenue for the six months ended 30 June 2023.

10%

An analysis of revenue is as follows:

	Six months ended 30 June	
	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
Revenue from contracts with customers	6,003,416	6,168,315

	Six months ended 30 June	
	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
Type of goods		
Sale of industrial products	6,003,416	6,168,315
Timing of revenue recognition		
Goods transferred at a point in time	6,003,416	6,168,315





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Six months ended 30 June

	2023	2022
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Other income and gains		
Foreign exchange gain, net	74,189	54,159
Government grants* *	34,880	39,228
Bank interest income	6,610	8,870
Rental income	3,198	1,544
Sale of scrap materials	2,734	3,573
Fair value gain from financial liabilities at fair value through profit or loss	1,808	4,057
Others	2,361	3,103
	125,780	114,534

* The government grants represent various cash payments and subsidies provided by the local government authorities to the Group as an encouragement to its investment and technological innovation. There are no unfulfilled conditions or contingencies relating to these subsidies.

*



The Group's profit before tax is arrived at after charging/
(crediting):

	Six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Cost of inventories sold	4,539,577	4,767,743
Employee benefit expenses (including directors' remuneration):		
Wages and salaries	480,052	454,858
Equity-settled share option expenses	4,863	2,089
Pension scheme contributions	48,173	31,047
	533,088	487,994
Amortisation of other intangible assets except for deferred development costs	10,675	9,077
Research and development costs:		
Deferred development costs amortised*	129,744	101,828
Current period expenditure	160,691	122,172
	290,435	224,000
Financial liabilities at fair value through profit or loss:		
Unrealised loss	3,753	22,789
Realised gain	(5,561)	(26,846)





(Continued)

	Six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Fair value gain from financial liabilities at fair value through profit or loss, net	(1,808)	(4,057)
Financial assets at fair value through profit or loss: Unrealised (gain)/loss	(15)	19
Depreciation of property, plant and equipment	167,167	156,490
Depreciation of investment property	246	5
Depreciation of right-of-use assets	8,500	7,045
Impairment of trade receivables	6,213	2,065
Impairment/(reversal of impairment) of inventories*	11,927	(1,538)
Loss on disposal of items of property, plant and equipment, net	2,101	1,291
Foreign exchange gain, net	(74,189)	(54,159)
Lease payment not included in the measurement of lease liabilities	6,591	7,307

* The amortisation of deferred development costs and impairment of inventories are included in "Cost of sales" in the interim condensed consolidated statement of profit or loss.

*

An analysis of other expenses is as follows:

	Six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Loss on disposal of items of property, plant and equipment	2,101	1,291
Fair value loss from financial assets at fair value through profit or loss	–	19
Others	1,682	1,994
	3,783	3,304

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Interest on bank borrowings	70,722	52,143
Interest arising from discounted bills	21,289	18,304
Interest on lease liabilities	1,374	3,673
Interest on convertible bonds	4,673	–
	98,058	74,120





Interim financial statements

The Group calculates the income tax expense for the period using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim condensed consolidated statement of profit or loss are:

	Six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Current:		
Mainland China	5,479	10,465
Hong Kong	547	204
Singapore	18,887	40,534
United States of America	7,343	5,759
Vietnam	406	484
Others	5,387	3,225
Deferred	(5,015)	(12,611)
Total tax charged for the period	33,034	48,060

Six months ended 30 June

		2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
Proposed interim – HK4 cents (2022: Nil) per ordinary share	4	50,219	–

The calculation of basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,361,104,160 (six months ended 30 June 2022: 1,357,854,666) in issue during the period, as adjusted to reflect the rights issue during the period.

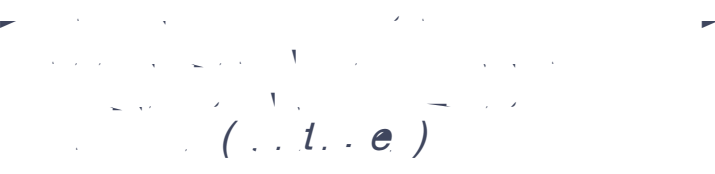
1,361,104,160
1,357,854,666

The calculation of diluted earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, adjusted to reflect the interest on the convertible bonds, where applicable (see below). The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.





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The calculations of basic and diluted earnings per share are based on:

	Six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
<hr/>		
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculations	209,115	80,020
Interest on convertible bonds	4,673	–
<hr/>		
Profit attributable to ordinary equity holders of the parent used in the diluted earnings per share calculations	213,788	80,020
<hr/> <hr/>		

Number of shares

	Number of shares	
	Six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculations	1,361,104,160	1,357,854,666
Effect of dilution – weighted average number of ordinary shares:		
Share options	35,526,654	1,155,752
Convertible bonds	60,000,000	–
	1,456,630,814	1,359,010,418

During the six months ended 30 June 2023, the Group acquired assets at a cost of RMB179,272,000 (30 June 2022: RMB126,852,000).

179,272,000
126,852,000





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Assets with a net book value of RMB8,392,000 (30 June 2022: RMB9,407,000) were disposed of by the Group during the six months ended 30 June 2023, resulting in a net loss on disposal of RMB2,101,000 (30 June 2022: RMB1,291,000).

	8,392,000
	9,407,000
	2,101,000
	1,291,000

During the six months ended 30 June 2023 and 2022, no impairment loss was recognised by the Group.

	30 June 2023	31 December 2022
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Raw materials	700,199	581,131
Work in progress	948,598	742,248
Finished goods	979,980	813,091
	2,628,777	2,136,470

At 30 June 2023, certain of the Group's inventories with a net carrying amount of approximately RMB100,000,000 (31 December 2022: RMB100,000,000) were pledged to secure general banking facilities granted to the Group (note 16(v)).

	100,000,000
	100,000,000
	16(v)

	30 June 2023	31 December 2022
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Trade receivables	2,910,303	2,817,996
Less: Impairment provision	(83,953)	(81,772)
	2,826,350	2,736,224

The Group grants different credit periods to customers. The credit period of individual customers is considered on a case-by-case basis. Certain customers are required to make partial payment before or upon delivery. The Group seeks to maintain strict control over its outstanding receivables and closely monitors them to minimise credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables of RMB414,882,000 (31 December 2022: RMB424,787,000) were under short term credit insurance and RMB73,067,000 (31 December 2022:

414,882,000
424,787,000
73,067,000
81,857,000

428,369,000
407,147,000

390,549,000
300,102,000





(continued)

An aged analysis of the trade receivables as at 30 June 2023 and 31 December 2022 based on the invoice date, net of provisions, is as follows:

		30 June 2023	31 December 2022
		(Unaudited)	(Audited)
		RMB'000	RMB'000
Within 3 months	3	2,295,430	1,991,360
3 to 6 months	3 6	314,776	392,070
6 to 12 months	6 12	123,249	222,677
1 to 2 years	1 2	55,459	81,352
Over 2 years	2	37,436	48,765
		2,826,350	2,736,224

		30 June 2023	31 December 2022
		(Unaudited)	(Audited)
		RMB'000	RMB'000
Cash and bank balances		445,747	436,194
Time deposits		694,173	793,806
		1,139,920	1,230,000
Less: Pledged for interest-bearing bank borrowings	16(iv)	(5,251)	(5,397)
(note 16(iv))			
Pledged for bills payable	15	(185,831)	(415,947)
(note 15)			
Pledged for letters of credit		(503,091)	(372,462)
		(694,173)	(793,806)
Cash and cash equivalents		445,747	436,194
Denominated in RMB		958,314	1,015,042
Denominated in US\$		83,057	134,421
Denominated in Euro		30,721	13,278
Denominated in Indian Rupee		17,614	8,090
Denominated in HK\$		14,367	31,583
Denominated in Australian Dollar		13,349	13,990
Denominated in Vietnamese Dong		11,614	6,076
Denominated in other currencies		10,884	7,520
		1,139,920	1,230,000





	30 June 2023	31 December 2022
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Trade payables	952,002	782,273
Bills payable	1,537,169	1,578,771
	2,489,171	2,361,044

An aged analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

		30 June 2023	31 December 2022
		(Unaudited)	(Audited)
		RMB'000	RMB'000
Within 3 months	3	1,500,266	833,140
3 to 6 months	3 6	418,239	608,572
6 to 12 months	6 12	525,714	906,326
1 to 2 years	1 2	34,990	8,092
2 to 3 years	2 3	5,531	2,247
Over 3 years	3	4,431	2,667
		2,489,171	2,361,044

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The trade payables are non-interest-bearing and are normally settled on 90-day terms. All the bills payable bear maturity dates within 365 days. As at 30 June 2023, bills payable amounting to RMB452,594,000 (31 December 2022: RMB684,236,000) were issued on intercompany sales transactions within Group companies and such bills were discounted to banks for short term financing.

90
365

452,594,000
684,236,000

As at 30 June 2023, certain bills payable of the Group were secured by pledging of certain time deposits of the Group amounting to RMB185,831,000 (31 December 2022: RMB415,947,000).

185,831,000

415,947,000





1

	30 June 2023 (unaudited)			31 December 2022 (audited)		
	Effective interest rate (%) (%)	Maturity	RMB'000	Effective interest rate (%) (%)	Maturity	RMB'000
Current						
Interest-bearing bank borrowings, secured	3.14 to 8.10, HIBOR+2.75 to HIBOR+3.50	2023-2024	884,757	1.88 to 8.17, HIBOR+2.76 to HIBOR+5.17	2023	998,295
Collateralised bank advances, secured	3.14 8.10 HIBOR+2.75 HIBOR+3.50	2023-2024	390,549	1.88 8.17 HIBOR+2.76 HIBOR+5.17	2023	300,102
Interest-bearing bank borrowings, guaranteed	2.00 to 4.57, LIBOR+2	2023-2024	1,433,530	2.00 to 4.57, LIBOR+2	2023	1,066,414
	2.00 4.57 LIBOR+2			2.00 4.57 LIBOR+2		
Current portion of long term bank borrowings, guaranteed	2.00 to 6.20, HIBOR+2.5 to HIBOR+2.76, LIBOR+2	2023-2024	1,433,530	2.00 to 7.26, HIBOR+2.5, LIBOR+2	2023	1,066,414
	2.00 6.20 HIBOR+2.5 HIBOR+2.76 LIBOR+2			2.00 7.26 HIBOR+2.5 LIBOR+2		
	LIBOR+2.70	2023	-	LIBOR+2.70	2023	276,843
	LIBOR+2.70			LIBOR+2.70		
			2,708,836			2,641,654
Non-current						
Interest-bearing bank borrowings, secured	1.88 to 6.00 1.88 6.00	2024-2028	172,333	1.88 to 6.00 1.88 6.00	2024-2028	28,626
Interest-bearing bank borrowings, guaranteed	3.00 to 4.60 3.00 4.60	2024-2026	35,587	3.00 to 4.60 3.00 4.60	2024-2025	39,807
			207,920			68,433
			2,916,756			2,710,087

Bank borrowings (continued)

Analysed into:

	30 June 2023	31 December 2022
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Bank loans and advances repayable:		
Within one year	2,708,836	2,641,654
In the second year	193,293	22,620
In the third to fifth years, inclusive	14,627	44,547
Beyond five years	–	1,266
	2,916,756	2,710,087

The Group's bank borrowings are secured by the following pledge or guarantees:

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| <p>(i) a charge over certain property, plant and equipment of the Group with carrying amount of approximately RMB750,509,000 (31 December 2022: RMB734,964,000) as at the end of the reporting period.</p> | <p>(i) 750,509,000</p> <p style="text-align: right;">734,964,000</p> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|





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(ii) a charge over certain leasehold lands of the Group with carrying amount of approximately RMB45,205,000 (31 December 2022: RMB45,859,000) as at the end of the reporting period.	(ii)	45,205,000	45,859,000
(iii) the pledge of certain trade receivables of the Group with carrying amount of approximately RMB428,369,000 (31 December 2022: RMB407,147,000) as at the end of the reporting period (note 13).	(iii)	428,369,000	407,147,000 13
(iv) the pledge of certain time deposits of the Group amounting to approximately RMB5,251,000 (31 December 2022: RMB5,397,000) as at the end of the reporting period (note 14).	(iv)	5,251,000	5,397,000 14
(v) the pledge of inventories of the Group with carrying amount of approximately RMB100,000,000 (31 December 2022: RMB100,000,000) as at the end of the reporting period (note 12).	(v)	100,000,000	100,000,000 12
(vi) cross guarantees executed by companies within the Group.	(vi)		



		30 June 2023	31 December 2022
Authorized:			
10,000,000,000 (31 December 2022: 10,000,000,000) ordinary shares of HK\$0.1 each (HK\$'000)	10,000,000,000 10,000,000,000 0.1	1,000,000	1,000,000
Issued and fully paid:			
1,361,707,666 (31 December 2022: 1,357,954,666) ordinary shares of HK\$0.1 each (HK\$'000)	1,361,707,666 1,357,954,666 0.1	136,170	135,795
Equivalent to RMB'000		116,579	116,250

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital RMB'000
At 1 January 2022	1,357,854,666	116,241
Exercise of the share options	100,000	9
At 31 December 2022 and 1 January 2023	1,357,954,666	116,250
Exercise of the share options	3,753,000	329
At 30 June 2023	1,361,707,666	116,579





The Company adopted a share option scheme (the “**2010 Share Option Scheme**”) which was approved and adopted by the written resolutions of all the shareholders of the Company passed on 14 October 2010 (as amended at the annual general meeting of the Company held on 18 May 2018) for the purpose of providing incentives or rewards to eligible persons for their contribution to, and continuing efforts to promote the interests of, the Group and for such other purposes as the board of directors may approve from time to time. Eligible persons of the 2010 Share Option Scheme include any director or employee (whether full time or part time), consultant or advisor of the Group who, in the sole discretion of the board of directors, has contributed to or will contribute to the Group. The 2010 Share Option Scheme expired on 13 October 2020.

The Company adopted a new share option scheme (the “**New Share Option Scheme**”) which was approved and adopted by the written resolutions of all the shareholders of the Company passed on 30 October 2020 for the purpose of providing incentives or rewards

23g (en-US)/MCID 5326 3DC16BT-0.006 c 0..37beneficiaries for their contributionn-US)

(continued)

All schemes of the Company are available to the directors and employees (whether full time or part time) of any member of the Group.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting and certain disclosure and reporting requirements.

0.1% 5

The maximum number of unexercised share options currently permitted to be granted under all schemes of the Company must not, in aggregate, exceed 30% of the total number of shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in all schemes of the Company within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting and certain disclosure and reporting requirements.

30%

1%





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The subscription price of share options is determinable by the directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer; and (iii) the nominal value of the shares of the Company. A consideration of RMB1.00 is payable on acceptance of the offer of an option or options.

(i)

(ii)

(iii)

1.00

After 13 October 2020, no further options will be granted under the 2010 Share Option Scheme. However, the provisions of the 2010 Share Option Scheme shall remain in full force to the extent necessary to give effect to the exercise of any options, which were granted during the life of the 2010 Share Option Scheme, and may continue to be exercisable in accordance with their terms of issue.

The New Share Option Scheme became effective on 30 October 2020, unless otherwise cancelled or amended, will remain in force for 10 years from the date of adoption of the New Share Option Scheme by shareholders by resolution at a general meeting. The maximum number of share options available for grant under the New Share Option Scheme at 1 January 2023 and at 30 June 2023 were 77,814,466.

77,814,466

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

Share options

The following share options were outstanding under all schemes of the Company during the period:

	Six months ended 30 June 2023		Six months ended 30 June 2022	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
	HK\$ per share	'000	HK\$ per share	'000
At 1 January	0.84	81,480	1.09	53,030
Exercised during the period	1.10	(3,753)	–	–
Forfeited during the period	0.57	(1,400)	1.01	(3,650)
At 30 June	0.83	76,327	1.10	49,380





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Movements in the Company's share options under all schemes of the Company during the period are as follows:

Name or category of participant	Number of share options				Date of grant of share options	Exercise period of share options	Exercise price of share options HK\$ per share	Vesting period	Closing price of the shares of the Company immediately before the date on which options were granted
	At 1 January 2023	Forfeited during the period	At 30 June 2023	At 30 June 2023					
Director									
Mr. Cao Yixiong Alan	300,000	-	300,000	22 November 2016	1 December 2017 to 21 November 2026	1.020	(i) One-third of the total number of the share options granted are exercisable at any time on or after 1 December 2017; (ii) One-third of the total number of the share options granted are exercisable at any time on or after 1 December 2018; and (iii) The remaining one-third of the total number of the share options granted are exercisable at any time on or after 1 December 2019.	1.020	
	200,000	-	200,000	19 July 2019	1 August 2020 to 18 July 2029	1.280	(i) One-third of the total number of the share options granted are exercisable at any time on or after 1 August 2020; (ii) One-third of the total number of the share options granted are exercisable at any time on or after 1 August 2021; and (iii) The remaining one-third of the total number of the share options granted are exercisable at any time on or after 1 August 2022.	0.610	

(continued)

Name or category of participant	Number of share options			Date of grant of share options	Exercise period of share options	Exercise price of share options HK\$ per share	Vesting period	Closing price of the shares of the Company immediately before the date on which options were granted
	At 1 January 2023	Forfeited during the period	At 30 June 2023					
	300,000	-	300,000	3 April 2020	16 April 2021 to 2 April 2030	0.600	(i) One-third of the total number of the share options granted are exercisable at any time on or after 16 April 2021; (ii) One-third of the total number of the share options granted are exercisable at any time on or after 16 April 2022; and (iii) The remaining one-third of the total number of the share options granted are exercisable at any time on or after 16 April 2023.	0.480
	300,000	-	300,000	24 October 2022	1 November 2023 to 23 October 2032	0.520	(i) One-fourth of the total number of the share options granted are exercisable at any time on or after 1 November 2023; (ii) One-fourth of the total number of the share options granted are exercisable at any time on or after 1 November 2024; (iii) One-fourth of the total number of the share options granted are exercisable at any time on or after 1 November 2025; and (iv) The remaining one-fourth of the total number of the share options granted are exercisable at any time on or after 1 November 2026.	0.530





(continued)

Number of share options

Name or category of participant	At 1 January 2023	Forfeited during the period	At 30 June 2023	Date of grant of share options	Exercise period of share options	Exercise price of share options HK\$ per share	Vesting period	Closing price of the shares of the Company immediately before the date on which options were granted
Mr. Lau Chi Kit	300,000	-	300,000	22 November 2016	1 December 2017 to 21 November 2026	1.020	(i) One-third of the total number of the share options granted are exercisable at any time on or after 1 December 2017; (ii) One-third of the total number of the share options granted are exercisable at any time on or after 1 December 2018; and (iii) The remaining one-third of the total number of the share options granted are exercisable at any time on or after 1 December 2019.	1.020
	200,000	-	200,000	19 July 2019	1 August 2020 to 18 July 2029	1.280	(i) One-third of the total number of the share options granted are exercisable at any time on or after 1 August 2020; (ii) One-third of the total number of the share options granted are exercisable at any time on or after 1 August 2021; and (iii) The remaining one-third of the total number of the share options granted are exercisable at any time on or after 1 August 2022.	0.610
	300,000	-	300,000	3 April 2020	16 April 2021 to 2 April 2030	0.600	(i) One-third of the total number of the share options granted are exercisable at any time on or after 16 April 2021; (ii) One-third of the total number of the share options granted are exercisable at any time on or after 16 April 2022; and (iii) The remaining one-third of the total number of the share options granted are exercisable at any time on or after 16 April 2023.	0.480

(continued)

Name or category of participant	Number of share options				Date of grant of share options	Exercise period of share options	Exercise price of share options HK\$ per share	Vesting period	Closing price of the shares of the Company immediately before the date on which options were granted
	At 1 January 2023	Forfeited during the period	At 30 June 2023						
	300,000	-	300,000	24 October 2022	1 November 2023 to 23 October 2032	0.520	(i) One-fourth of the total number of the share options granted are exercisable at any time on or after 1 November 2023; (ii) One-fourth of the total number of the share options granted are exercisable at any time on or after 1 November 2024; (iii) One-fourth of the total number of the share options granted are exercisable at any time on or after 1 November 2025; and (iv) The remaining one-fourth of the total number of the share options granted are exercisable at any time on or after 1 November 2026.	0.530	
Mr. Lu Zhiqiang	300,000	-	300,000	24 October 2022	1 November 2023 to 23 October 2032	0.520	(i) One-fourth of the total number of the share options granted are exercisable at any time on or after 1 November 2023; (ii) One-fourth of the total number of the share options granted are exercisable at any time on or after 1 November 2024; (iii) One-fourth of the total number of the share options granted are exercisable at any time on or after 1 November 2025; and (iv) The remaining one-fourth of the total number of the share options granted are exercisable at any time on or after 1 November 2026.	0.530	





(continued)

Name or category of participant	Number of share options			Date of grant of share options	Exercise period of share options	Exercise price of share options HK\$ per share	Vesting period	Closing price of the shares of the Company immediately before the date on which options were granted
	At 1 January 2023	Forfeited during the period	At 30 June 2023					
Ms. Yin Haiyan	150,000	-	150,000	22 November 2016	1 December 2017 to 21 November 2026	1.020	(i) One-third of the total number of the share options granted are exercisable at any time on or after 1 December 2017; (ii) One-third of the total number of the share options granted are exercisable at any time on or after 1 December 2018; and (iii) The remaining one-third of the total number of the share options granted are exercisable at any time on or after 1 December 2019.	1.020
	150,000	-	150,000	4 December 2017	16 December 2018 to 3 December 2027	1.442	(i) One-third of the total number of the share options granted are exercisable at any time on or after 16 December 2018; (ii) One-third of the total number of the share options granted are exercisable at any time on or after 16 December 2019; and (iii) The remaining one-third of the total number of the share options granted are exercisable at any time on or after 16 December 2020.	1.430
	900,000	-	900,000	19 July 2019	1 August 2020 to 18 July 2029	1.280	(i) One-third of the total number of the share options granted are exercisable at any time on or after 1 August 2020; (ii) One-third of the total number of the share options granted are exercisable at any time on or after 1 August 2021; and (iii) The remaining one-third of the total number of the share options granted are exercisable at any time on or after 1 August 2022.	0.610

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Number of share options

Name or category of participant	At 1 January 2023	Forfeited during the period	At 30 June 2023	Date of grant of share options	Exercise period of share options	Exercise price of share options HK\$ per share	Vesting period	Closing price of the shares of the Company immediately before the date on which options were granted
	300,000	-	300,000	3 April 2020	16 April 2021 to 2 April 2030	0.600	(i) One-third of the total number of the share options granted are exercisable at any time on or after 16 April 2021; (ii) One-third of the total number of the share options granted are exercisable at any time on or after 16 April 2022; and (iii) The remaining one-third of the total number of the share options granted are exercisable at any time on or after 16 April 2023.	0.480
	1,000,000	-	1,000,000	13 January 2021	16 January 2022 to 12 January 2031	0.560	(i) One-fifth of the total number of the share options granted are exercisable at any time on or after 16 January 2022; (ii) One-fifth of the total number of the share options granted are exercisable at any time on or after 16 January 2023; (iii) One-fifth of the total number of the share options granted are exercisable at any time on or after 16 January 2024; (iv) One-fifth of the total number of the share options granted are exercisable at any time on or after 16 January 2025; and (v) The remaining one-fifth of the total number of the share options granted are exercisable at any time on or after 16 January 2026.	0.560





(continued)

Number of share options

Name or category of participant	At 1 January 2023	Forfeited during the period	At 30 June 2023	Date of grant of share options	Exercise period of share options	Exercise price of share options HK\$ per share	Vesting period	Closing price of the shares of the Company immediately before the date on which options were granted
	1,000,000	-	1,000,000	30 September 2022	1 October 2023 to 29 September 2032	0.572	(i) One-fourth of the total number of the share options granted are exercisable at any time on or after 1 October 2023; (ii) One-fourth of the total number of the share options granted are exercisable at any time on or after 1 October 2024; (iii) One-fourth of the total number of the share options granted are exercisable at any time on or after 1 October 2025; and (iv) The remaining one-fourth of the total number of the share options granted are exercisable at any time on or after 1 October 2026.	0.540
Ms. HONG Yu	1,000,000	-	1,000,000	13 January 2021	16 January 2022 to 12 January 2031	0.560	(i) One-fifth of the total number of the share options granted are exercisable at any time on or after 16 January 2022; (ii) One-fifth of the total number of the share options granted are exercisable at any time on or after 16 January 2023; (iii) One-fifth of the total number of the share options granted are exercisable at any time on or after 16 January 2024; (iv) One-fifth of the total number of the share options granted are exercisable at any time on or after 16 January 2025; and (v) The remaining one-fifth of the total number of the share options granted are exercisable at any time on or after 16 January 2026.	0.560

(continued)

Name or category of participant	Number of share options			Date of grant of share options	Exercise period of share options	Exercise price of share options HK\$ per share	Vesting period	Closing price of the shares of the Company immediately before the date on which options were granted
	At 1 January 2023	Forfeited during the period	At 30 June 2023					
	800,000	-	800,000	30 September 2022	1 October 2023 to 30 September 2032	0.572	(i) One-fourth of the total number of the share options granted are exercisable at any time on or after 1 October 2023; (ii) One-fourth of the total number of the share options granted are exercisable at any time on or after 1 October 2024; (iii) One-fourth of the total number of the share options granted are exercisable at any time on or after 1 October 2025; and (iv) The remaining one-fourth of the total number of the share options granted are exercisable at any time on or after 1 October 2026.	0.540
	7,800,000	-	7,800,000					





(continued)

Number of share options

Name or category of participant	Number of share options			At 30 June 2023	Date of grant of share options	Exercise period of share options	Exercise price of share options HK\$ per share	Vesting period	Closing price of the shares of the Company immediately before the date on which options were granted
	At 1 January 2023	Exercised during the period	Forfeited during the period						
Other employees in aggregate (each not exceeding the 1% individual limit) 1%	4,780,000	(1,033,000)	-	3,747,000	22 November 2016	1 December 2017 to 21 November 2026	1.020	(i) One-third of the total number of the share options granted are exercisable at any time on or after 1 December 2017; (ii) One-third of the total number of the share options granted are exercisable at any time on or after 1 December 2018; and (iii) The remaining one-third of the total number of the share options granted are exercisable at any time on or after 1 December 2019.	1.020
	1,450,000	(4,000)	-	1,446,000	25 May 2017	1 June 2018 to 24 May 2027	1.760	(i) One-third of the total number of the share options granted are exercisable at any time on or after 1 June 2018; (ii) One-third of the total number of the share options granted are exercisable at any time on or after 1 June 2019; and (iii) The remaining one-third of the total number of the share options granted are exercisable at any time on or after 1 June 2020.	1.690
	3,400,000	(301,000)	-	3,099,000	4 December 2017	16 December 2018 to 3 December 2027	1.442	(i) One-third of the total number of the share options granted are exercisable at any time on or after 16 December 2018; (ii) One-third of the total number of the share options granted are exercisable at any time on or after 16 December 2019; and (iii) The remaining one-third of the total number of the share options granted are exercisable at any time on or after 16 December 2020.	1.430

(continued)

Name or category of participant	Number of share options			At 30 June 2023	Date of grant of share options	Exercise period of share options	Exercise price of share options HK\$ per share	Vesting period	Closing price of the shares of the Company immediately before the date on which options were granted
	At 1 January 2023	Exercised during the period	Forfeited during the period						
	12,600,000	(1,317,000)	-	11,283,000	19 July 2019	1 August 2020 to 18 July 2029	1.280	(i) One-third of the total number of the share options granted are exercisable at any time on or after 1 August 2020; (ii) One-third of the total number of the share options granted are exercisable at any time on or after 1 August 2021; and (iii) The remaining one-third of the total number of the share options granted are exercisable at any time on or after 1 August 2022.	0.610
	1,200,000	(200,000)	-	1,000,000	3 April 2020	16 April 2021 to 2 April 2030	0.600	(i) One-third of the total number of the share options granted are exercisable at any time on or after 16 April 2021; (ii) One-third of the total number of the share options granted are exercisable at any time on or after 16 April 2022; and (iii) The remaining one-third of the total number of the share options granted are exercisable at any time on or after 16 April 2023.	0.480
	3,000,000	-	-	3,000,000	13 January 2021	16 January 2022 to 12 January 2031	0.560	(i) One-fifth of the total number of the share options granted are exercisable at any time on or after 16 January 2022; (ii) One-fifth of the total number of the share options granted are exercisable at any time on or after 16 January 2023; (iii) One-fifth of the total number of the share options granted are exercisable at any time on or after 16 January 2024; (iv) One-fifth of the total number of the share options granted are exercisable at any time on or after 16 January 2025; and (v) The remaining one-fifth of the total number of the share options granted are exercisable at any time on or after 16 January 2026.	0.560





(continued)

Number of share options

Name or category of participant	Number of share options			At 30 June 2023	Date of grant of share options	Exercise period of share options	Exercise price of share options HK\$ per share	Vesting period	Closing price of the shares of the Company immediately before the date on which options were granted
	At 1 January 2023	Exercised during the period	Forfeited during the period						
	13,050,000	(898,000)	-	12,152,000	2 September 2021	16 September 2022 to 1 September 2031	0.910	(i) One-third of the total number of the share options granted are exercisable at any time on or after 16 July 2022; (ii) One-third of the total number of the share options granted are exercisable at any time on or after 16 July 2023; and (iii) The remaining one-third of the total number of the share options granted are exercisable at any time on or after 16 July 2024.	0.840
	34,200,000	-	(1,400,000)	32,800,000	30 September 2022	1 October 2023 to 29 September 2032	0.572	(i) One-fourth of the total number of the share options granted are exercisable at any time on or after 1 October 2023; (ii) One-fourth of the total number of the share options granted are exercisable at any time on or after 1 October 2024; (iii) One-fourth of the total number of the share options granted are exercisable at any time on or after 1 October 2025; and (iv) The remaining one-fourth of the total number of the share options granted are exercisable at any time on or after 1 October 2026.	0.540
	73,680,000	(3,753,000)	(1,400,000)	68,527,000					
	81,480,000	(3,753,000)	(1,400,000)	76,327,000					

(continued)

Share options outstanding

The exercise prices and exercise periods of the share options outstanding under all schemes of the Company at 30 June 2023 are as follows:

Number of options	Exercise price per share	Exercise period
4,497,000	HK\$1.020 1.020港元	1 December 2017 to 21 November 2026 二零一七年十二月一日至二零二六年十一月二十一日
1,446,000	HK\$1.760 1.760港元	1 June 2018 to 24 May 2027 二零一八年六月一日至二零二七年五月二十四日
3,249,000	HK\$1.442 1.442港元	16 December 2018 to 3 December 2027 二零一八年十二月十六日至二零二七年十二月三日
12,583,000	HK\$1.280 1.280港元	1 August 2020 to 18 July 2029 二零二零年八月一日至二零二九年七月十八日
1,900,000	HK\$0.600 0.600港元	16 April 2021 to 2 April 2030 二零二一年四月十六日至二零三零年四月二日
5,000,000	HK\$0.560 0.560港元	16 January 2022 to 12 January 2031 二零二二年一月十六日至二零三一年一月十二日
12,152,000	HK\$0.910 0.910港元	16 September 2022 to 1 September 2031 二零二二年九月十六日至二零三一年九月一日
34,600,000	HK\$0.572 0.572港元	1 October 2023 to 29 September 2032 二零二三年十月一日至二零三二年九月二十九日
900,000	HK\$0.520 0.520港元	1 November 2023 to 23 October 2032 二零二三年十一月一日至二零三二年十月二十三日
76,327,000		





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No share options were granted during the six months ended 30 June 2023. (the six months ended 30 June 2022: nil). Accordingly, the number of shares that may be issued in respect of options granted during the Period was nil (the six months ended 30 June 2022: nil).

The 3,753,000 share options exercised during the period resulted in the issue of 3,753,000 ordinary

	3,753,000	
3,753,000		
375,000		329,000
	3,742,000	
3,280,000		
		76,327,000
5.61%		
		76,327,000
		7,632,700
	7,037,000	
55,548,000		51,214,000
		75,631,000
5.56%		



The Group had the following capital commitments at the end of the reporting period:

	30 June 2023	31 December 2022
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Contracted, but not provided for:		
Land and buildings	362	2,866
Equity investments	72,500	2,500
	72,862	5,366





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		For the six months ended 30 June	
		2023	2022
		(Unaudited)	(Unaudited)
		RMB'000	RMB'000
Notes			
Purchases of raw materials from related companies			
Related companies owned by Dr. Dong Li and his associates		17,057	16,511
Sales of products to related companies			
Related companies owned by Dr. Dong Li and his associates		30,294	39,775
Interest expense to related parties			
Non-controlling shareholders of a subsidiary		87	86

Note:

- (i) The purchases of raw materials and sales of products with the related companies were made according to prices mutually agreed between the two parties on terms not less favourable to the Group than terms available to or from (as appropriate) independent third parties.

The related party transactions in respect of the purchases of raw materials and sales of products above also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

(i)

Notes to the financial statements

	Notes 附註	Due from related companies		Due to related companies	
		30 June 2023 (Unaudited) RMB'000	31 December 2022 二零二二年 十二月 三十一日 (Audited) (經審核) RMB'000 人民幣千元	30 June 2023 (Unaudited) RMB'000	31 December 2022 二零二二年 十二月 三十一日 (Audited) (經審核) RMB'000 人民幣千元
Current:					
Non-controlling shareholders of a subsidiary	(i)	-	-	121,458	72,371
Related companies owned by Dr. Dong Li and his associates	(ii)	8,998	26,028	2,530	44,833
		8,998	26,028	123,988	117,204

Notes:

- (i) As at 30 June 2023, a loan amounting to RMB4,000,000 from the non-controlling shareholders of a subsidiary was unsecured, bore interest rate at 4.35% per annum and has no fixed terms of repayment. A loan amounting to RMB116,200,000 from the non-controlling shareholders of a subsidiary was unsecured, interest-free and had no fixed terms of repayment.
- (ii) As at 30 June 2023 and 31 December 2022 all balances with the related companies owned by Dr. Dong Li and his associates were trade in nature, unsecured, interest-free and have no fixed terms of repayment.





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	Six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Basic salaries and other benefits	4,239	5,328
Equity-settled share option expenses	796	461
Pension scheme contributions	90	91
	5,125	5,880

On 25 July 2023, the Group entered into a sale and purchase agreement with GS Yuasa International Limited, an independent third party to purchase the 70% equity of each of Tianjin GS Battery CO., LTD. and Yuasa Battery (SHUNDE) CO., LTD. for an aggregate cash consideration of RMB206,000,000 (subject to adjustment).

GS Yuasa International Limited

70%
206,000,000

The transaction is scheduled with an installment payment where the Group shall pay (i) RMB41,500,000 upon completion of the acquisition; (ii) at least 15% of the consideration on or before the first anniversary of the acquisition; (iii) at least 35% on the second anniversary; and (iv) the final payment on the third anniversary. The installment payment portion shall bear interest at an annual interest rate of 4%. In addition, after the third anniversary of completion, the seller may exercise a put option granted by the buyer and require the buyer to purchase an additional 10% of the registered capital of either or both of the target companies. The consideration for acquiring such additional equity shall be calculated proportionally based on the net asset value of either or both the target companies (as the case may be) as of 28 September 2023 or the consideration for the acquisition.

		(i)
		41,500,000 (ii)
	15%	
(iii)	35%	(iv)
	4%	
	10%	

The interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 22 August 2023.



